

GOVERNOR'S MESSAGE.

To the Senate and Assembly.
In the presence of events so momentous as those now surrounding us, we can but realize that man's strength is weakness, his wisdom foolishness, and human forecast a mockery. It is most fitting, therefore, that we seek the favor of the great source of all power and knowledge, and implore the counsel of Omnipotence in our deliberations. Let us remember that from desolation and bloody strife God restores the wasted land and evokes peace; while from a condition of apparent prosperity and mutual gain He may permit the spirit of discord to enter, and suddenly bring a whole nation to the verge of humiliation.

In communicating to you the condition of the State, I acknowledge with feelings of the profoundest gratitude the blessings of Almighty God in preserving the public health, in rewarding the labor of the husbandman, in prospering the ~~the~~^{the} industrial and commercial interests, and saving a popular mind from all tendencies to disorder. But beyond our beloved State, truth the most painful forms themselves upon us. Abroad, nations whose friendship we have for generations cordially cultivated and desired, whose rights we have scrupulously observed, and whose sympathy we had expected have turned coldly upon us in our trials, one with a perversity that causes more of sorrow than anger, will not understand the vital questions troubling our confederates. At home, the year 1861 has been the most eventful in the annals of the American Union and of constitutional freedom. It has been placed on a grave foundation by civil war, and threatened in its very existence. The calamities which it has incurred, it has deepened into tragedy, and the present year promises a period big with interest to ourselves and consequences to our posterity.

Without stopping to consider antecedent facts, we behold a relation of extraordinary proportion, menacing the safety of a government, whose common benefit have made us a free and prosperous people, and given us an honored name in every land and on every sea. A vast army alone keeps back this besetting evil, saves the national Capital, protects the persons of the lawfully chosen Chief Magistrate and his constitutional advisers, and preserves the public welfare.

New-York has been a目睹 of the progress of the insurrection. She responded to the first summons to protect the embattled Capital, and today one hundred thousand of her brave sons bear aloft the banner of the Union, in and near the rebellious States. From her imperial resources vast supplies have been drawn for the war. Her bankers, and particularly those of the City of New York, with a patriotic and an enlightened confidence which is a wonder to Europe and a marvel to ourselves, have furnished a most important element to the Government. She has freely contributed from her public treasury, as well as in the cities and towns, through formally organized action of private citizens, and through the less formal means of individual benevolence. The case of the families of Volunteers has been assumed by municipalities, by villages and by individuals. The cord of brotherhood has been strengthened by our public grief, and the due sympathy has afforded the American people a sad opportunity to vindicate themselves from the calumny of national seditious. The spirit of universal benevolence and fraternal kindness will everywhere be accepted as convincing evidence of the moral integrity of the people in the hour of trial, of unfeigned attachment to their institutions, and determination that no jot or tittle of national right or dignity or manhood shall be surrendered. The commanding position of this State, never so glorious as at this struggle, renders her voice potent in a great crisis like this. For the time being, you are to give utterance to that voice. I am sure it will be no incentive.

During the year the administration of justice and the execution of the laws have been prompt and universal. Our State credit, an index of abiding confidence in the Government, never stood higher than now, and though drawn upon for the war, our finances, as will appear from the exhibit which I now submit for your consideration, are in a satisfactory condition.

There was in the Treasury, on the 1st of October, 1860, \$3,993,527.49
Received from all sources for the fiscal year..... 16,942,577.33

Total..... \$20,936,095.82

Balance on September 30, 1861..... \$2,074,841.35

The debt of the State, on October 1, 1861, was:

General Fund Debt..... \$6,565,654.37

Or Canal Debt..... 36,631,610.25

Making a total of..... \$33,197,264.62

The State or Funded Canal Debt outstanding on Sept. 30 was authorized by the Constitution as follows, viz:

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Article 5, section 1..... \$6,565,654.37 \$6,565,654.37
Article 5, section 2..... 16,942,577.33 16,942,577.33
Article 2, section 10..... 66,265.39 66,265.39
Article 7, section 12..... 2,350,000.00 150,000.00

Total..... \$20,936,095.82 \$1,420,970.00

During the last fiscal year, that portion of the General Debt recognized by Section 1 of Article VII, of the Constitution has been reduced by the payment of \$982,743.3 of the principal from the Constitutional Sinking Fund arising from the Canal Revenues. It will be further reduced before the 30th of September next by the redemption of \$31,100,000 of maturing stock from funds applicable to that purpose; leaving due, after that period, a principal of \$23,661,610.25, with an annual interest thereon of \$1,381,979.76. An average annual reduction, past and prospective, of more than \$1,000,000 is thus shown; and it is confidently believed that the stock amounting to \$7,339,476, maturing previous to January, 1871, will be met as it falls due from the surplus revenues of the Canals set apart by the Constitution for that specific purpose.

Years of taxation and disappointment in relation to the cost and income of the Canals will give to the exhibit presented below more than usual interest. This shows a gain in the Canal revenues, of \$6,639,91, and at the same time a reduction in the expenses of \$10,190.64, making a total net gain over the past fiscal year of \$1,939,20.55.

Revenue:
From the Erie Canal..... \$3,026,133.31
Champlain Canal..... 10,000.00 \$3,126,711.31
Oswego Canal..... 13,000.00 13,000.00
Cayuga-Susquehanna Canal..... 10,000.00 10,000.00
Chemung Canal..... 10,319.00 10,319.00
Crooked-Lake Canal..... 6,660.00 6,660.00
Chemung Canal..... 2,013.74 2,013.74
Black River Canal..... 6,312.00 6,312.00
Genesee River Canal..... 20,000.00 20,000.00
Onondaga Lake Canal..... 22,27.00 22,27.00
Baldwinsville Canal..... 619.62 619.62
Ondis River Improvement..... 100.00 100.00
Seneca River Towing-path Canal..... 100.00 100.00

Total from Canal tolls..... \$3,352,686.67

From rents of surplus water..... 4,035.00 4,035.00

From interest on current revenue, &c..... 424,294.30

Total..... \$3,781,920.97

Expenses:
Payments to Superintendents for
repairs..... 1,000.00 \$1,000.00

To Canal Commissioners for re-
pairs, &c..... 224,907.28

Collectors for salaries, clerks
hire pay of assistant collectors,
inspectors, and expense of Col-
lecting, &c..... 22,245.55

To Weight-Masters..... 8,111.30

For salary of Auditor and clerk
in Canal Department, salar-
ies and expenses of Auditor
and Examiner, regarding tolls,
towing and miscellaneous
payments..... 43,765.17 \$369,736.14

Bonus revenue..... \$2,492,672.16

The revenues have followed the direction contemplated by the Constitution, which is in order as follows, viz:

1. To pay the expenses of collection super-
intendence and ordinary repairs of Canals, as
also of the Erie Canal..... \$6,639,91

2. Transferred to State Fund under Art. 7,
Sec. 1 of the Constitution..... 10,000.00

3. Transferred to Sinking Fund under Art. 7,
Sec. 2 of the Constitution..... 1,000.00

4. Transferred to State Fund under Art. 7, Sec. 3, of the
Constitution..... 1,000.00

Total..... \$2,492,672.16

CASH STATEMENT.

Balance in the Treasury and invested on
the 30th of September, 1860..... 2,075,617.00

For canal-rent of surplus
water, interest on revenue, &c, 16,942,577.33

For proceeds of loans and grants
1,000.00 1,000.00

For proceeds of taxes..... 66,265.39 66,265.39

Total, ex-
cept for interest on stocks..... \$37,366,355.68

For interest on stocks..... \$2,492,672.16

To Canal Commissioners repair
expenses, &c..... 1,000.00 1,000.00

For Canal Commissioners, auditors,
and examiners, and wages..... 1,000.00 1,000.00

Total, ex-
cept for interest on stocks..... \$2,492,672.16

Leaving a balance to the credit of the Canal Fund on the 30th of September last, of... \$2,075,617.00
On this balance there was no de-
posit in bank, to the credit of
the Canal Fund, as account of
of investments held in trust
by the Auditor.

Bank Deposits..... 27,745.18
New-York Stock and Canal Stock..... 10,000.00

Bank Deposit, &c..... 20,551.06

\$39,306.16 \$2,036.20

Of this balance, the sum of \$249,520.29 was not available, it being the aggregate of the Canal deposits in insolvent banks, but since the first of October a portion of this amount has been paid into the Treasury, and it is estimated that the ultimate loss on deposits in suspended banks will not exceed \$30,000. Since the termination of the fiscal year, and up to the close of the calendar year, the revenue from canal tolls was \$1,290,375.45, the expenses of collection and repairs about \$219,662.60, and the available balance in the Treasury and the several deposit banks at the first instant was \$31,251.47.

By the end of November, the Canal department will be completed throughout its whole extent. The circumstances of the country are such as to give to this fact its highest importance. To those Board Commissioners and State officers whose duty have connected them with this work, and with operating the canal, the people owe their thanks, and especially to the Canal Board and the Auditors of the Canal and Department. The completion of this work should be an engineering expense in an important degree. The system of contracting for repairs of the canals is found to materially decrease the yearly expenditure, but the expenses become de-estimated, and at the end of four months under contract, the State will be obliged to make good the annual deficiency by new stimulations at large cost. I would therefore recommend that such change in the law, governing the letting of canal repairs, be made as will require that no contractor be allowed to give ample security that he will have in his possession all the tools required for the work, and that every section be inspected by the proper officer when it is surrendered, and any depreciation be enforced against the contractor.

The railroad may have been diverted by the carrying of the canal, and the expense of the same, which is estimated at \$1,000,000, will be added to the annual expense of the canal.

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